

Introduction**A LOOK AROUND INDIANAPOLIS**

Indianapolis is the twelfth-largest city in the United States, with a population of over 800,000. It was founded as the state capital of Indiana in 1821 and officially became so in 1825. Indianapolis' residents have always shown great pride in their city. In 1909, our civic forefathers inscribed on the cornerstone of the old City Hall the words "I am myself the citizen of no mean city". The words are true today as they were then.

Business

Indianapolis is one of the most populous cities in the world not located on a navigable waterway, although the City is a hub of road, rail, and air transportation. In fact, Indianapolis epitomizes the state logo, "Crossroads of America," with more intersecting segments of interstate highway than any other metropolitan area.

This infrastructure and the business climate make Indianapolis a popular place for business. Among the major national and international companies located in Indianapolis are Eli Lilly & Co., Anthem Insurance, Conseco, Clarian Health, Escient, Bank One Indianapolis, Allison Transmission, United Airlines, Mays Chemical, Allison Engine Co., Simon Property Group, Indianapolis Motor Speedway Corporation, Federal Express, American Trans Air, and Navistar International Transportation.

There are a number of signs that Indianapolis's economic health is strong. The Indianapolis International Airport in 2000 – the last year for which statistics are available – routed 7.7 million passengers both domestic and international through its gates. The airport is served by 22 commercial passenger airlines with an average of 357.2 daily departures to an average of 45 non-stop destinations. Additionally, the airport handled 1,284,930 tons of mail and freight in 2000. To meet increasing demand, the Indianapolis International Airport will construct a new midfield terminal.

The Indiana Convention Center has been operating near capacity and recently was expanded. A new full-service downtown hotel opened its doors earlier this year. We continue efforts to attract high-technology businesses to the Greater Indianapolis region with emphasis on expanding our trained work force. Indianapolis and the surrounding areas benefit from economic expansion.

Indianapolis has received abundant praise for its business climate. We were named in *Employment Review* as one of America's best places to live and work. Indianapolis ranked fifth on *Entrepreneur Magazine's* 1996 list of the 30 best cities for small business. And Cognetics – a Massachusetts research firm – cited Indianapolis as one of the top spots for entrepreneurs, ranking fifth overall among the nation's top 50 metro areas, and the only northern city ranked in the top ten.

Arts, Culture, and Entertainment

Arts and Culture are key parts of the of the Indianapolis community fabric. They improve the quality of life and are integral components in our business success. Arts and Culture in the Circle City mean any experience that portrays Greater Indianapolis, its people, diversity, and character. Among the most recent cultural successes is the Indy Jazz Fest. Indiana Black Expo celebrated its 30 year anniversary in 2000. Earlier this year Mayor Bart Peterson unveiled his \$10 million Indianapolis Cultural Development Initiative. Its primary focus is to build participation in the cultural development of the City.

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Indianapolis is brimming with traditional arts and culture attractions. Established in 1883, the Indianapolis Museum of Art is both an art museum and a 152-acre botanical garden. The museum's grounds contain five pavilions, a lecture hall, a theater, a concert terrace, a restaurant, shops, and a greenhouse. Its permanent collection includes collections of neo-Impressionist art, Chinese art, and African art. The Eiteljorg Museum of American Indians and Western Art is one of just two museums east of the Mississippi that feature both American Indian and Western art. The Eiteljorg's American western gallery includes works from the Taos, N.M., artists' colony, as well as pieces from such legends as Remington and Russell. Contemporary artists who tell the story of today's West are also represented along with Native American art, which includes pottery, basketry, sculpture and other artifacts from all 10 North American native cultural areas.

Indianapolis is also the home of the world's largest Children's Museum. The museum's collection includes a Prehistoric Gallery, a steam-engine exhibit, a model-train gallery, an outdoor garden gallery, and a 130-seat planetarium. In 1996, the museum opened a large theater called the Cinedome, which surrounds viewers with state-of-the-art audio and visual systems.

White River State Park, located just outside downtown, is the state's first metropolitan state park. The Indianapolis Zoo is located in the park and houses 4,000 animals in simulated natural habitats. Next to the zoo is the White River Gardens, which includes a glass-enclosed conservatory, outdoor gardens, a water garden, and one and a half miles of winding paths and walkways. Also located in the park are the IMAX 3-D theater, the National Institute for Fitness and Sport, the Eiteljorg Museum, the newly relocated NCAA headquarters, and the NCAA Hall of Champions.

An entertainment highlight in Indianapolis is Circle Centre Mall. Indianapolis's downtown mall has been received enthusiastically by citizens and visitors alike. The mall is the anchor of Indianapolis downtown redevelopment. Circle Centre contains over 100 stores, an excellent food court, ample parking, a cinema, an arcade, and several very popular nightclubs.

Another downtown attraction is the Soldiers and Sailors Monument, the centerpiece of Monument Circle. The monument stands 284 feet, 6 inches high and symbolizes both the City of Indianapolis and the State of Indiana. Every year the statute is transformed into the world's largest Christmas tree. Other downtown attractions of note are the City Market, a popular lunchtime spot for those who work downtown, the Indiana War Memorial, and the Congressional Medal of Honor Memorial located on the Downtown Canal.

Sports

Our city has made a name for itself in the world of sports. We boast three major-league teams, the Indianapolis Colts of the National Football League, the Indiana Pacers of the National Basketball Association and the Indiana Fever of the Women's National Basketball Association. The Colts, who moved to Indianapolis in 1984, play in the RCA Dome on the downtown's West Side. The Fever and the Pacers, who have reached the playoffs every year since 1989 and last year reached the NBA finals, play in the new Conseco Field House – which hosted the NBA finals in its inaugural season. This year area sports fans were treated with the arrival of the Indiana Firebirds of the Arena Football League. Other professional sporting events of note is the RCA Tennis Championship hosted annually at the Indianapolis Tennis Center and the Brickyard Crossing Golf Tournament of the Senior PGA.

Indianapolis also hosts several minor-league teams. Baseball's Indianapolis Indians, a farm team for the Milwaukee Brewers, play in Victory Field, one of the most attractive downtown ballparks in the country. Hockey's Indianapolis Ice play in the Pepsi Coliseum. Both sports have a rich history in Indianapolis. The Indians have been in existence since 1902, and although the Ice were formed much more recently, in 1988; Indianapolis has had hockey teams since 1939.

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Indianapolis is well known for the Greatest Spectacle in Racing, the Indianapolis 500. The race has its roots in the early twentieth century, when Indianapolis was home to ten automotive manufacturing firms. In 1909, Carl Fisher and three partners formed the Indianapolis Motor Speedway Company and opened the famous 2½-mile track for private testing and occasional racing. The first 500-mile race was held two years later. Since 1957, the 500 Festival, a huge celebration that includes concerts, a half-marathon, and the nation's second-longest parade, has preceded the race. Since 1994, the track has hosted the Brickyard 400 stock-car race as well. In 2000 the United States Grand Prix joined the stable of races at the Motor Speedway on a newly constructed 2.606-mile road course. It is the first Grand Prix in the United States since 1991 and will be the 15th of 17 events on the Formula One schedule.

And of course Indianapolis is famous for amateur sports, so much so that we have been dubbed the Amateur Sports Capital of the World. Amateur-sports organizations—for gymnastics, diving, track, and others—have been settling here in increasing numbers. The national headquarters of the National Collegiate Athletic Association moved to Indianapolis at the end of 1999. Indianapolis has hosted numerous amateur-sports events - most memorably the World Police and Fire Games in 2001 and the Pan American Games in 1987. The city has also been fortunate to host the Men's NCAA Final Four in 1980, 1991, 1997, and 2000. The tournament returns to Indianapolis in 2006. In 2002 the city will host both the men and women's Big 10 Basketball tournaments.

Sports facilities in Indianapolis that foster the amateur sports reputation are the RCA Dome, Conseco Field House, the Indianapolis Sports Center (tennis), the IU Natatorium (swimming and diving) and Track and Field Stadium, the Indiana World Skating Academy (ice skating) and the Major Taylor Velodrome (cycling).

INDIANAPOLIS GOVERNMENT**Unigov**

Indianapolis and Marion County have been consolidated under a unified governmental structure since January 1, 1970. This structure, known as Unigov, combines city and county legislatures and provides a single countywide chief executive. The city-county council is made up of twenty-nine members (twenty-five from individual districts, and four elected at large). The mayor and councilors are elected every four years. The public school system, the police department and the fire department are not consolidated. Several other county offices are not merged—for example, the assessor, auditor, clerk, coroner, prosecutor, recorder, sheriff, surveyor, and treasurer—because they are provided under the Indiana Constitution. Also, the incorporated cities of Beech Grove, Lawrence, and Southport, and the town of Speedway, are left out of the consolidation, but are allowed to vote for the chief executive, the county-wide councilors, and their own city officials.

Organization

The 2002 City budget reflects a reorganization of City agencies. Departments and divisions have been realigned to streamline delivery of City services.

Executive and Legislative

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The primary function of the Executive and Legislative Department is to develop and enforce laws for the City of Indianapolis. The department includes the Mayor's Office, the City-County Council, the Cable Communications Agency, the Office of the Corporation Counsel, the Collection Division, the Office of the City Controller, and the Purchasing Division.

The Mayor's Office, in conjunction with the City-County Council, strives to provide effective and responsive leadership for Indianapolis's citizens. The City-County Council also establishes tax rates, reviews and recommends the annual budget, and confirms appointments by the Mayor. The Cable Communications Agency provides the public with information regarding City-County governmental actions. The Office of the Corporation Counsel provides city and county agencies with legal advice. The Office of the City Controller is responsible for financial management of the City. The Purchasing Division makes and records all purchases for the City-County entity. The Collection Division of the Office of Corporation Counsel is the City's debt collector.

Department of Administration

The Department of Administration provides the necessary internal services to keep the other operating agencies of City government functioning. Divisions within the department include Administrative Services, Equal Opportunity, Human Resources, and Indianapolis Fleet Services.

Department of Administration provides the employees of the City-County with the incentives, programs and services they need to work proficiently. The Equal Opportunity office ensures that the City-County, as well as community businesses, offers equal employment and business opportunities to everyone. The city does all of its hiring through Human Resources. Indianapolis Fleet Services maintains all municipal vehicles.

Department of Metropolitan Development

The Department of Metropolitan Development plans and implements projects and services focused on public safety, jobs and economic development, affordable housing, and the empowerment of neighborhoods through citizen participation.

Department of Public Works

In the spring of 2001 The Department of Public Works (DPW) merged with the Department of Capital Asset and Management (DCAM). The newly reorganized DPW will provide the same services as well as the services of DCAM. DPW is responsible for sanitation, including trash pickup and sewage disposal. Other activities include wastewater treatment and disposal, maintenance of infrastructure (including flood control levees and drainage systems), street maintenance, and the protection of City environmental resources, including air pollution control.

The Department of Public Works also plans, designs, and constructs streets and roads in Marion County. Other responsibilities include infrastructure planning; designing sanitary and stormwater systems, wastewater transportation systems, and drains and levees; and completing flood control projects. Excluded from the department's control are (1) interstate, U.S. and state routes under jurisdiction of the Indiana Department of Transportation and (2) local streets within incorporated cities and towns in Marion County.

Introduction*Department of Public Safety*

The Department of Public Safety maintains order and protects the rights and property of Indianapolis citizens. The department divisions include Police, Fire, Emergency Management Planning, Animal Care and Control, and Weights and Measures. The Director coordinates the activities of Public Safety divisions with other state and local agencies, and plans cooperative efforts with various criminal justice agencies.

Department of Parks and Recreation

The Department of Parks and Recreation offers the public recreation programs and manages neighborhood, community and regional parks; park enhancement and beautification programs; Indianapolis Greenways; and the park-ranger program. The Marion County Sheriff's Department and the Indianapolis Police Department help the Indy Park rangers keep parks safe for everyone to enjoy.

THE INDIANAPOLIS CITY BUDGET

Beginning in April, the department heads, along with the offices of the Mayor and the City Controller, develop budgets for the next calendar year for divisions within their departments.

State statute and Council ordinance require the City to adopt annual balanced budgets—that is, revenues plus fund balance must equal or exceed appropriations. The major classification of appropriations is the character level, which corresponds to the Governmental Accounting Standards Board definition of object. The characters of expense are personal services, supplies, other goods and services, properties and equipment, and internal charges.

Operating appropriations lapse at year-end unless they are encumbered. A purchase order is recognized as an encumbrance against available appropriations. Total appropriations for capital projects funded by bond issues are set within the bond resolution and do not expire at year-end.

In July, the City Controller prepares budget ordinances that are introduced by the Mayor to the City-County Council at the first meeting in August. The Controller adds the June 30 cash and investment balance to the estimated second-half revenues; this amount is reduced by the remaining appropriations and the additional anticipated appropriations to arrive at the current year December 31st projected budgetary fund balance. This balance, along with the estimated miscellaneous revenues, is reduced by the budgeted appropriations to arrive at the amount to be funded by property taxes. This amount must be less than the maximum levy unless an appeal to the State Board of Tax Commissioner is successful.

These ordinances are assigned to the appropriate Council Committee, which conducts public hearings during August and September. Prior to the last Council meeting in September, the budget levy is advertised twice in two newspapers. The Council may not pass a budget above the levy advertised.

The State Board of Tax Commissioners reviews the budget before certifying the levy; a levy above the limits may be granted if the excess levy meets the state law requirements. The Tax Commissioners are required to certify the levies, tax rates and budgets by February 15th.

During the year, the City-County Council may amend appropriations upon request by the Controller to transfer unencumbered appropriations from one character to another in the same fund. Additional appropriations requests are submitted to the Controller's office to determine if sufficient additional

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revenues or fund balance is available. The State Board of Tax Commissioners must approve any request supported by property tax revenues or Motor Vehicle Highway moneys. These situations require advertisement to notify the public.

Non-ordinance budget transfers occur as needed. Budgets are controlled at different levels depending on what departments want. For example, the Animal Care and Control division's budget is controlled at the *object* level. Thus, when there is insufficient money available within a particular object of the Animal Care and Control division's budget, the division must request a transfer from another object before they can process a purchase order or direct payment from their budget. For budgets involving federal funds, the budget is usually controlled at the *grant* level, while capital funds are sometimes controlled at the *project* level. Most departments' regular operating budgets are controlled at the *character* level.

After the close of the year, independent public accountants perform an audit. The Report of Independent Accountants stated that the financial statements for the City of Indianapolis, Indiana at December 31, 2000 showed fairly, in all material respects, that the financial position of the City, the results of operations, and the changes in financial position were in conformity with generally accepted accounting principles (GAAP).

Comparison of the budget with the annual financial report may be misleading, as the budget is prepared on the cash basis while the annual financial report is prepared on the modified accrual basis.

Fund Structure

Because of the overlapping geographic boundaries of several service districts and the budgetary fund structure required by state law, the fund structure in Indianapolis is not typical of most cities. The City maintains a chart of accounts to comply with GAAP for financial reporting purposes, but prepares the operating budget in accordance with state laws, not GAAP. Certain funds are excluded from budgets by state laws—Trust and Agency, as well as Special Assessment Funds.

The *General Fund* in Indianapolis is comprised of funds which are identified by the geographic boundary of a service district and which contain budget data not required to be accounted for in another fund:

Consolidated County	Fire Special Service District
Flood Control General	Maintenance Operations General
Park General	Police Special Service District
Redevelopment General	Sanitation General
Solid Waste Collection	Solid Waste Disposal
Transportation General	

Special Revenue Funds are restricted for use by federal or state government or they are special-purpose funds established by Council authority. Certain special revenue funds may be excluded from budgets by state provisions. Those budgeted by the City are:

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Federal Grants
State Grants

Federal Law Enforcement Fund Parking Meters
State Law Enforcement Fund

Debt Service Funds are budgeted for payment of General Obligation Bond principal and interest. These include:

Civil City Sinking	Flood Control Sinking
Sanitary Sinking	Park Sinking
Metropolitan Thoroughfare Sinking	Redevelopment Sinking

Capital Project Funds account for the construction, acquisition, or maintenance of major fixed assets. They include City Cumulative Capital Development and County Cumulative Capital Development funds.

Pension Trust Funds are disbursed by the City in its fiduciary capacity to covered employees. They include Fire Pension and Police Pension funds.

Enterprise Funds are used to account for the financing of self-supporting activities of the City. The City maintains the following Enterprise Fund:

Stormwater Management Utility

2002 Budget Calendar

March 23	Preliminary Budget Guidelines issued
April 18 - 27	First round of meetings with departments to review budgets
May 29 - June 7	Second Round of meetings with departments to review budgets
July 7	June 30 closing of FAMIS (the city's accounting system)
July 9-13	Final meetings w/departments and Controller, as needed
July 20	Final budget narratives and numbers due, based on negotiations held the previous week.
Aug. 6	Budget is introduced to Council
Aug. to Sept.	Council committee hearings on budget
Aug. 27	Public Hearing on Budget
Sept. 10	Council votes on final Budget
1 st week of Oct.	State Tax Board reviews the Budget
Feb 15, 2002	State Tax Board approves final Budget

Introduction**ACKNOWLEDGEMENTS**

The annual city budget is prepared with the cooperation of each city department. The City Controller under the Mayor's direction prepares guidelines for each year's budget. The Office of the Controller issues budget guidelines to the departments through each department's Chief Financial Officer (CFO). The CFO then develops each department's budget with the guidelines. The City Controller coordinates all activities regarding budget and policy analysis for presentation to the City-County Council.

The Office of the City Controller prepared this document. The format of this document is based on recommendations from the Government Finance Officers Association, which recognizes a budget as a policy tool, an operations guide, a financial plan, and a communications medium. This budget document is also intended to promote understanding of local government and the services it provides to our citizens.

Appreciation is extended to the Controller's Office staff and the staff of the City Departments that have contributed to the preparation of this document.

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Organization Chart

